

## **1. Basic definitions**

1.1. These General Conditions of the Sales Contract ("**General Conditions**") extend to all sales contracts of impermanent nature, including oral agreements made in the form of offer and acceptance ("**Contract**") between Viking Window AS ("**Seller**") and legal and/or private persons ("**Buyer**") for the purchase of goods manufactured by the Seller. The General Conditions shall form an integral part of this Contract. The Contract consists of the Sales Contract, General Conditions, Annex 1 to the Contract: Product specification, Annex 2: Installation manual ("**The Installation of Windows and Doors**"), Annex 3: Instructions for use and maintenance instructions ("**User Manual and Maintenance manual of windows and doors**"), and other Annexes to the Contract. Issues not regulated by the General Conditions are agreed upon between the Buyer and the Seller in the Contract.

1.2. In General Conditions and the Contract the following definitions shall be used within the meaning as follows:

1.2.1. "**Products**" – windows, external doors and other products manufactured by the Seller, mentioned in Annex 1 to the Contract according to the Seller's standard specifications.

1.2.2. "**Deadline for payment**" – the due date of payment for the Product(s) for the Buyer determined in the Contract.

1.2.3. "**Fine for delay**" – interest payable to the other Party to the amount indicated in the General Conditions in case of delay to fulfil the financial obligations by the Party in delay for each delayed day.

1.2.4. "**Contractual penalty**" – an amount of money the Party not having performed as required or failed to perform the contractual obligations or the General Conditions is obliged to pay to the other Party in cases provided in the General Conditions.

1.2.5. "**Party**" - Buyer or Seller.

1.2.6. "**Parties**" - Buyer and Seller.

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## **2. Ordering the Products**

The Parties will conclude a Contract for the purchase of Products by indicating in Annex 1 of the specification of the Products the Products required by the Buyer and sold by the Seller.

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## **3. Payment and the Seller's reservation of ownership**

3.1. The Buyer shall pay to the Seller the price for the Products indicated in the Contract coupled with the VAT at the rate provided by law.

3.2. If the Buyer must pay the advance payment for the Products, the Seller shall undertake to perform the Contract starting from receiving the advance payment. In case of delay of the advance payment, the Seller is also entitled to postpone performance of contractual obligations by the number of delayed days coupled with additional 7 (seven) calendar days. The Seller shall have the same right if the obligation of provision of security by the Buyer is stipulated in the Contract but the Buyer is late with fulfilment of the mentioned obligation or the security has expired and the Buyer has not replaced it with proper security.

3.3. The Buyer shall be obliged to pay the amount not paid as advance payment to the Seller by the Deadline for payment of the Contract, agreed in the Contract.

3.4. Until the full payment of the price, the Products belong to the Seller and the Seller is entitled to reclaim them to their possession at any time. Until the full payment of the price, it is forbidden for the Buyer to transfer the ownership and possession of the Products to the third parties in any way unless

otherwise agreed in the Contract. In the case of transfer of the possession and ownership of the Products, the Buyer must inform the third party about the Seller's reservation of ownership and guarantee that the third party takes the same liabilities as the Buyer.

3.5. In case the Buyer has not paid for the Products, but the Products have become an essential part of the immovable property upon integration with the facility, the Seller shall have the right to demand from the Buyer the establishment of a mortgage to the immovable property of the Buyer that the Products have become an essential part to such an extent that will ensure the payment of purchase price for providing security for the contractual claim.

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## **4. Quality of Products, terms and conditions of delivery and non-conformities in Products**

4.1. The Products shall conform to the quality requirements valid in AS Viking Window and the technical specification of the Products presented in Annex 1.

4.2. The Seller shall deliver the Products to the Buyer at the place and time agreed in the Contract.

4.3. The time of delivery of Products can change according to provisions of clause 3.2.

4.4. Upon delivery of the Products, the Buyer shall be obliged to inspect them / have them inspected. On the order of only Products from the Seller, the Buyer will not have the right to demand their unpacking. If the Products are those indicated in Annex 1, the Buyer shall be obliged to receive them. The Buyer shall have the right to refuse from receiving the Products only in case they do not conform to the specification of Annex 1 and the requirements provided for in clause 4.1.

4.5. When detecting the non-conformity of the Products, the Buyer shall be obliged to inform the Seller within shortest reasonable time.

4.6. If the Buyer fails to arrive to receive the Products by the prescribed and notified time and/or refuses from it without having the basis provided for in the Contract, the Seller shall have the right to deem the Products delivered from the moment of time provided for in the Contract and the Buyer shall be obliged to pay for the Products according to clause 3.1.

4.7. The risk of accidental destruction of the Products shall be transferred from the Seller to the Buyer when the Products are delivered/deemed to be delivered.

4.8. The observance of the Installation manual is mandatory when installing the Products by the Buyer. The Buyer shall always be obliged to follow the Maintenance instructions and the Instructions for use when using and possessing the Products. In case the Buyer resells the Products to the third party, the Buyer shall also be obliged to inform all the persons to whom the Products are transferred about the obligation to follow the Maintenance instructions and the Instructions for use.

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## **5. Fine for delay, Contractual penalty, Damages**

5.1. In case of delay with contractual payments by the Buyer, the Seller shall have the right to demand from the Buyer a Fine for delay of 0.2% of outstanding amount for each delayed day exceeding the Deadline for payment (incl. the day of execution of payment) of the payment obligation, but not more than 50% of the total value of the ordered Products.

5.2. In case of failure to follow the Date of delivery of the Products by the Seller if there are no circumstances excluding the Seller's responsibility, the Buyer shall have the right to demand from the Seller the Contractual penalty of 0.2% from the price of nondelivered Products but not more than 50% of the

total value of the specified Products. The Buyer shall have the right to demand the mentioned Contractual penalty only if the failure by the Seller to follow the Date of delivery of the Products specified in the Contract will hinder significantly the intended use of the Products by the Buyer or the third party to whom the Buyer has resold the Products (if they can do it according to the Contract or the General Conditions) and the Buyer has already given the Seller an additional time of delivery of reasonable length.

5.3. If the Buyer does not unfoundedly accept the Products by the date agreed in the Contract, including in the case the Seller has deemed the Products to be received according to the General Conditions, the Seller shall have the right to demand from the Buyer a Contractual penalty of 0.2% of the amount to be paid according to the Contract for each delayed day but not more than 50% of the total value of the Products.

5.4. If the Parties have agreed upon other rates for the Fine for delay or the Contractual penalty in the Contract, the provisions of the Contract shall apply.

5.5. The other Party can demand further compensation for damage in addition to the Contractual penalty and the Fine for delay from the defaulting Party only in the cases provided in the General Conditions. If the violation was committed deliberately or by serious negligence, compensation for the direct material damage exceeding the Contractual penalty or the Fine for delay can be demanded from the defaulting party, but not more than 50% of the total value of the Products.

5.6. In no event whatsoever shall any indirect damage (including the loss of profit, time of the Party or the Party's costumer) or potential moral damage of the Party or a damage to a person who is in legal relationship with the Party regarding the Products, be compensated for.

5.7. Provided that in some other provision of the General Conditions the Seller's liability is not limited to greater extent or the limitation of liability is null and void pursuant to law, the Seller's liability before the Buyer regarding any claims shall be, by all means, limited to the Contract value.

5.8. The Buyer shall undertake to do everything necessary and possible by taking the most effective measures to prevent causing damage and/or diminish the damage to themselves, to the Seller or to the third parties.

5.9. The Seller shall not assume responsibility for the damage or injuries caused by the Buyer or the third party in connection with unintended use of the Products, including incorrect installation. The Seller shall also not assume responsibility for the damage caused during the transportation or loading of the Products (except in the case the Seller carries out the transportation/transshipment of the Products).

5.10. The Seller's liability in case of nonconformity of the Products shall cover only the repair or replacement of the defective Products. The Seller shall not assume responsibility for repair or compensation for any damage related to the repair of the Products.

5.11. The Parties would be released from liability when the performance of the Contract became impossible due to occurrence of force majeure that the meaning would be given from the law in force. The Party becoming aware of the occurrence of the force majeure shall be obliged to inform immediately the other Party in a format which can be reproduced in writing. The performance of the Contract shall be delayed by the time of duration of the force majeure. If the force majeure towards the Party lasts more than 90 days, the both Parties shall be entitled to terminate the Contract without an obligation to pay any Contractual penalties and/or compensate the damages to the Party.

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## **6. Warranty**

6.1. The Seller shall grant a 5-year warranty to the parts of Products specified in clause 6.4 (unless other term is provided for in the General Conditions) covering the manufacturing, the material and/or the design defects at Products that become obvious during the warranty period in the course of usual prudent use of the Products.

6.2. The accrued rights of the warranty can only be used by the Buyer who has concluded the Contract with the Seller and the warranty cannot be transferred.

6.3. The warranty shall cover the *preservation of wood used in the Products and the form stability, air-tightness of the insulating glass units, the functionality of the Products (hardware) and the steadiness of the finish coat*. The warranty for the material shall cover the parts made of either wood, metal, non-metal material and/or glass, depending on the Product. The warranty shall take effect from the moment of delivery/deemed to be delivered of the Products to the Buyer unless otherwise provided in the General Conditions.

6.4. The warranty shall not be valid if the Buyer has not paid fully for the Products to the Seller. Upon payment of the Contract value, the Fines for delay, the Contractual penalties and the compensation for damages, the warranty shall take effect retrospectively from the date specified in the third sentence of this clause.

6.5. By no means shall the Seller be liable for repair or compensation of the damages (incl. the cost and/or damage occurred/caused directly or indirectly to the third party) related to the repair or replacement of the defective Products/parts of the Product, including damages occurred/caused to the third parties.

6.6. The warranty shall not cover the costs of additional operations indirectly related to the repair of the Products, including the costs of works, labour force, cranes, scaffolding, lifting devices or other auxiliary tools, transportation, follow-up works (plastering, etc.), assembly of supporting equipment and other that are not directly the repair of the Products performed under the warranty.

6.7. The initial warranty period shall be continued concerning the Products/parts of the Products replaced under the warranty.

6.9. The warranty shall be valid if:

6.9.1. The Products do not exceed the maximum dimensions established for the relevant type of products by the plant of Viking Window AS.

6.9.2. The Products are delivered to the site in the package prepared by the Seller.

6.9.3. The Products are installed professionally in accordance with the Installation manual and according to the good building practices without causing any damage to the Products.

6.9.4. The maintenance works of the Products are performed regularly according to the Maintenance instructions and the Instructions for use and documented in the way that would allow inspection by the Seller.

6.9.5. The Products are used according to their intended use and prudently.

6.9.6. The causes for the damage to the Products are not any external impacts or third parties (e.g. impact, compression, shock, shift of supporting structure, incl. during the building subsidence, deformation, vibration, thieves, birds, animals, weather conditions, incl. excessive humidity, etc.) or an event caused by force majeure.

6.9.7. The repairs of the Products have been performed operatively in accordance with the instructions of Viking

Windows AS by avoiding the increase of the extent of the defect.

6.10. **The wood preservation warranty** shall cover the damages to the wooden parts of the Products (rot, the form stability influencing the normal exploitation of the Products).

6.11. **Warranty statement of the air-tightness of the insulating glass unit**

- Covers only the occurrence of condensation and dust between the glasses during the validity of the warranty.  
- The insulating glass unit must be manufactured according to the standard EN 1279 "Glass in building: Insulating glass unit".

- The minimum measures of the insulating glass unit shall be at least 150 x 220 mm.

- The difference of the side lengths of the insulating glass unit shall not exceed 1:6.

- Float glass shall be used in the insulating glass unit.

- In manufacturing of the insulating glass unit, no patterned glass (according to the standard EN 572-5) or the wired glass (according to standard EN 572-3) has been used.

- The warranty shall be valid for the insulating glass units located lower than 900 m from the sea level.

- The glasses in the composition of the insulating glass unit must be without cracks and any other defects and damages.

- The warranty shall not cover the circular insulating glass units.

6.12. The warranty period for the insulating glass unit is as follows:

- in buildings (except insulating glass units assembled in pitched roofs/pitched facades) – 5 years;

- in pitched roofs/pitched facades – 2 years;

- in cold unheated buildings – 2 years;

- structural glass (silicone putty is used) – 2 years;

- units with decorative strips, bars – 5 years;

- multiform units with bowed edges and at least one straight side – 2 years;

- units with fire stop glass (except multiform or with a form different from rectangle) – 5 years.

6.13. **Warranty statement for the parts of metal and non-metal material of the hardware:**

- valid for the Products with dimensions within the limits established by the plant of the Viking Window AS;

- valid only for the functional properties of the hardware (opening and closing of the frame according to the Maintenance instructions and Instructions for use, wind and water tightness in normal and standard environmental conditions);

- not valid for surface coating of the hardware;

- valid only for the hardware installed to the Product by the Seller.

6.14. **Warranty statement of finishing:**

- The Products must be finished by the Seller.

- Changing of the Products due to weather (fading of the colour) or any other influence shall not be deemed a finishing defect.

- Appearance of repair knotting and finger joint glue line figuration, outlines of exposed knots, grain structure, connection points of aluminium surfaces, etc. from under the coat of paint of the Products shall not be deemed a finishing defect until the finish coat is not damaged (cracked, got loose).

6.15. The warranty period for finishing is as follows:

- in the case of transparent finishing (stain, varnish) – 2 years;

- for laminated boards in the case of transparent finishing – 2 years;

- in the case of different surface finishing (different finishing of inside surface and outside surface), the duration of warranty is determined according to the outside surface finishing.

6.16. **The warranty shall not be valid especially in the following cases:**

- The Products / parts of the Products are damaged or broken due to mechanical damage after the delivery to the Buyer at transportation, installation or use.

- The Buyer or any third party has not followed the Installation manual and/or Maintenance instructions and the Instructions for use of the Products.

- The Products / parts of the Products have been processed or changed in any way by the Buyer and/or third party after the delivery.

- The Products / parts of the Products have been apparently deliberately damaged (either intentionally or due to serious negligence).

- The Buyer has informed the Seller about the defect(s) of the Products with delay which have caused more extensive defects that the compensation costs are unreasonable compared to the costs that would have been incurred in the case of timely notification.

- The properties or appearance of the Products have changed due to the influence of unusual weather conditions or other natural circumstances.

- The defects at Products / parts of the Products that have become obvious are caused by natural wear and tear.

- In the cases provided for in clause 6.4 of the General Conditions.

- For insulating glass units located in severe weather and other conditions that have effect on the status of the units (excessive cold, dryness, humidity, vibration, UV radiation, chemical vapours, etc.).

- For units with bar strip and glazing bar design of specific form (i.e. form different from rectangle) fire stop glass.

6.17. **Notification and elimination of defect under the warranty**

6.17.1. Upon becoming obvious of defects at Products during the warranty period, the Buyer shall inform the Seller about it within 14 (fourteen) calendar days in writing at the address indicated in the Contract and the information about the defect shall include at least the following:

- description of the defect as exact as possible;

- if possible / upon request of the Seller a photo proving the defect of the Product;

- manufacturer of the Products and the manufacturing time;

- name, dimensions and the quantity of Products;

- name and address of the person having submitted the notification;

- data, address of the building or other site where the Products were installed.

6.17.2. In case the information required in clause 6.17.1 is missing / is deficient, the Seller shall have the right to deem the notification not submitted and not to perform the warranty related obligations whereas the deadline of notification and the exercise of rights arising from the Buyer's warranty shall not be suspended.

6.17.3. The Buyer shall prove the occurrence of a defect at Products / parts of the Products.

6.17.4. In order to exercise the Warranty related rights, the Buyer shall submit the Sales Contract to the Seller / Seller's representative that proves the purchase of the Products from the Seller.

6.17.5. Upon reception of the notification about the defect of the Products, the Seller shall have the right to send their authorised representative to inspect the Products at an agreed time with the Seller and the Buyer shall be obliged to allow this. The Seller's representative shall check the presence of the defect(s) and find

out the cause of its occurrence by formalising the relevant report, if necessary. In case of groundless warranty claim, the Buyer shall compensate to the Seller all costs incurred to the Seller in connection with proceeding the Buyer's groundless warranty claim.

6.19. In case any of the Seller's contractual parties will amend the Warranty statement established to the Seller's Products and/or their parts, the Seller shall have the right to amend the Warranty statement of the Products established in these General Conditions. The amendment shall apply only prospectively.

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## **7. Expiry of Contract**

7.1. The Contract will expire when all the accrued contractual obligations have been fulfilled in full as required.

7.2. The Party can withdraw from the Contract if:

7.2.1. The other Party breaches the Contract significantly as a result of which the further performance of the Contract is reasonably unacceptable for the Party cancelling the Contract and the defaulting Party has not remedied/finished the breach during the reasonable time given for it.

7.2.2. The other Party continuously breaches the Contract and does not stop it despite the pertinent demands of the other Party.

7.3. The Seller shall have the right to withdraw from the Contract when the Buyer fails to pay the advance payment for the Products by the time agreed in the Contract, or other amounts to be paid according to the Contract, or will not give the security specified by the Contract.

7.4. The Buyer shall have the right to withdraw from the Contract also if the delivery of the Products by the Seller has been delayed for more than one (1) calendar month because of circumstances depending on the Seller and the lack of Seller's excusable behaviour is not caused by the Buyer's own act or failure to act.

7.5. The Party who will withdraw from the Contract on the basis of provisions of clauses 7.2–7.4 of the Contract shall have the right to demand the Contractual penalty from the other Party corresponding to 10% of the total value to be paid for the Products on the basis of the Contract and additional compensation of the direct material damage exceeding the Contractual penalty but not more than 50% of the total value of the Products to be paid based on the Contract unless otherwise provided for in clause 7.6.

7.6. Despite the restrictions presented elsewhere in the Contract, the Seller shall always have the right to demand from the Buyer the full compensation for the costs incurred and the loss of income in connection with manufacturing of the Products on the basis of clauses 7.2–7.4 by the moment of withdrawal from the Contract.

7.7. The Seller shall have the right to net off the Contractual penalty and the claim for damages with the amounts of money received from the Buyer.

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## **8. Other provisions**

8.1. The Contract shall be amended by agreement of the Parties unless otherwise provided in the Contract or in the General Conditions.

8.2. In case the Buyer fails to pay for the Products by the required deadline, the Seller shall have the right to realise the payment security given to the Seller by the Buyer without filing a claim against the Buyer before starting to realise the security.

8.3. If the Parties have representatives at the conclusion and during the performance of the Contract, the following conditions shall be followed:

8.3.1. The representative of the Seller/Buyer shall be authorised to communicate with the other Party, receive and transfer information to the other Party with reference to the performance of this Contract and act in an official organising capacity but they shall not have the right to amend or supplement this Contract or its Annexes as binding to the Party.

8.3.2. Only the person having relevant authorisation or the legal right of representation can amend and/or supplement the Contract on behalf of the Party.

8.4. The Buyer shall not use the Seller's name as part of one's own name or in any other way that may show the relationship between the Seller and the Buyer wrongly. The Buyer shall not present themselves as an authorised reseller of the Seller.

8.4.1. When reselling the Products, the Buyer shall not be regarded as an agent of the Seller and they shall not have the right to discharge obligations or act in the Seller's name.

8.4.2. The Buyer may use the Seller's name and trademarks related to the Products in their own name, symbols, web pages or other promotional material only on previous written consent of the Seller.

8.4.3. If the Buyer does not comply with clauses 8.4–8.4.2 and the requirements and obligations provided for therein, they shall pay the Contractual penalty to the Seller to the amount of 600 EUR for the violation of each obligation/non-compliance with requirements.

8.5. The Seller shall have the right to delegate the contractual obligations to the third party.

8.6. All communication between the Parties related to the Contract shall be in writing, except in cases otherwise provided for in the General Conditions or when it is a notification of informational nature that may also be forwarded to the other Party in a format which can be reproduced in writing. The notifications shall be communicated to the Party according to the contact details indicated in the Contract and the Parties shall immediately undertake to inform each other about their change.

8.7. The terms and conditions of the Contract are confidential. Neither Party can disclose them to the third party without a written consent of the other Party. The above mentioned shall not apply to the disclosure of information to the auditors, lawyers, court or the persons of the Parties who pursuant to legislation shall have the right to know the content of the Contract. This also applies to the persons for whom being aware of the content of the Contract is inevitably essential like the competent employees of the Parties, members of the governing bodies, partners/shareholders, etc.

8.8. If necessary, the Seller may communicate the Buyer's data (incl. personal data) to the provider of legal services, court, business operators engaged in collection of debts and persons who have the right for knowing the data pursuant to law. The Seller shall have the right to use and process the Buyer's data (incl. personal data) also for making offers to the Buyer and informing the Buyer about new products and the news.

8.9. The Seller shall have the right of assignment of the contractual claims against the Buyer in part or in full without the consent of the Buyer to any persons, incl. collection and/or other associations dealing with claims.

8.10. The Parties shall be guided by the legislation valid in the Republic of Estonia in issues not regulated in this Contract or General Conditions.

8.11. These General Conditions are valid from 1 October 2009.